



# DESIGNATED REALTOR®

ASSOCIATION KIT

**RACI** | REALTORS® Association  
of Central Indiana

Professional development resources for the central Indiana real estate community

# WELCOME



As the Executive Vice President of the REALTORS® Association of Central Indiana, it is my pleasure to walk you through our Designated REALTOR® kit!

The RACI team is committed to creating more adaptive, resilient, and streamlined processes to address the unique needs of REALTOR® members in central Indiana.

RACI offers unparalleled access to the resources, technology, and services that are changing the way REALTORS® do business as well as offering relationship-building opportunities through educational, social and networking events.

Welcome to RACI!

Sincerely,

*Amy Pate*  
Association Executive Vice President

## COMPANY CHECKLIST

- Business Organization**
  - see addendum (pg 19)
- Explore your importance in the membership chain**
  - yearly licensee verification of dues
  - licensee affiliation or severance
  - REALTOR® dues formula
  - meet Code of Ethics requirements
- Send Designated REALTOR® certification form**
  - by Nov. 30 of each year
- Managing broker/agent relationship**
  - all on-boarding agents should sign an Independent Contract agreement
- New agent is coming on-board?**
  - licensee has 15 days to apply for membership with RACI once license is actively held with a company
- Agent transferring companies?**
  - MLS/Tech fees will continue to be billed until notification leads to transfer
- Agent leaving the Association?**
  - MLS/Tech fees will continue to be billed until notification leads to membership termination
- Planning an unlicensed assistant?**
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  - assume identity
  - paid and unpaid
- Explore IAR's Legal Library**
  - everything you need from A to Z (well, U!) Agency information to unlicensed assistants

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# INTRODUCTION

*Definition: Under NAR policy, the Designated REALTOR® (DR) is the firm's managing broker or the principal designated by the firm to serve as Designated REALTOR®.*

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## COMPANY MEMBERSHIP

You can apply for membership as the company's Designated REALTOR® (DR), if:

- You are the new managing/principal broker (broker of record)
- You are new to the REALTOR® associations
- Your firm is an established or a newly formed real estate brokerage and you are not currently a member of RACI

*RACI recommends that new managing brokers review the responsibilities for the Designated REALTOR® before proceeding with the membership process so that you fully understand your responsibilities.*

### Designated REALTOR® Application Process

- Complete and sign Company Membership Application & SentiLock® agreement.
- Complete and sign the individual Membership Application (if not already a member).
- Pay application fees.

***If you have any questions, please contact the Membership Department by phone 765-457-0089 or email [info@raci.org](mailto:info@raci.org).***

Firms with multiple principals (broker/owners) must designate one principal in writing to serve as the Designated REALTOR®.

**Note: All licensed principals must be REALTORS® as well.**

### The DR's importance in the membership chain

The ability of a licensee with your firm to hold REALTOR® membership flows from the fact that you, as managing broker, are a REALTOR®. If the DR resigns, or is suspended or expelled, all REALTOR® memberships in the firm are then subject to termination or suspension as the case may be.

### An Explanation of the Designated REALTOR® Dues Formula

Dues are assessed to each principal (DR) in a real estate firm on the basis of the number of real estate licensees employed or affiliated as independent contractors with the firm, partnership or corporations.

NAR established its dues structure on the basis of how many licensees work in a DR's office. (see Responsibilities under the REALTOR® Dues Formula - pg 5)

All DRs and licensees associated with them should be aware that any dues assessment paid by the DR does not constitute any form of "registration" of dues payment for any licensee that has not made an application to be a REALTOR® member of the organization. Rather, the DR's personal dues are computed on the basis of the number of non-member licensees associated with him or her.

*Any individual who has not personally made application to be a REALTOR® member of the REALTOR® organization is not entitled to any of the benefits or obligations of REALTOR® membership; therefore any licensee affiliated with a DR where the DR's personal dues have been increased due to this formula are not entitled to any member benefits.*



**INTRO** *Continued*

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**Responsibilities under the REALTORS® Association of Central Indiana Bylaws & Board Policy**

- Annually verify those licensed with the firm as part of the dues billing process.
- Report the affiliation or severance of any licensees to RACI within 15 days. This information must be processed through IPLA and must be verifiable before RACI can process the changes.

**Responsibilities under the REALTOR® Dues Formula**

- RACI is bound by its charter to enforce the NAR dues formula which states that the DR's personal dues must be increased by an amount equal to the annual dues for each non-member the DR allows to be licensed with the firm. For example, if dues are \$100 and you have 9 non-members, you owe dues of \$100 for yourself, plus 9 X \$100, for a total of \$1,000.
- If a REALTOR® in your firm does not renew his or her annual membership, or is terminated for non-payment of dues, the formula is then applied and the DR is billed for the resulting personal dues increase.
- For a DR to be exempt from paying dues based on referral licensees, the licenses must be held by an entity separate from the DR's brokerage firm, and all referrals must be made to the DR's brokerage firm on a substantially exclusive basis. The same DR can be a principal in both firms. An "entity" is a separate, legally recognized business and includes all possible structures for a business permitted under state law. The exemption for licensees in LFRO's (see pg 7 under Dues obligations) requires the licensees not be engaged to any degree in listing, selling, leasing, renting, managing, counseling, or appraising real property.

**Responsibilities under the Code of Ethics**

To ensure accountability under the Code of Ethics, one of the primary "membership duties" of a DR is to be personally responsible and accountable for the acts of all licensees within the firm.

NAR requires that each member attend an NAR Code of Ethics class at least once every two years. Not attending the class will result in the loss of membership until the class is taken. The next deadline is **12/31/2020**.

# MEMBERSHIP TYPES

As a Designated REALTOR® all licensees that are affiliated with you have the option of also joining as members of the association.

If any licensees affiliated with the firm choose **not** to become REALTORS®, then the DR would be assessed a **non-member assessment** by the association for each licensed non-member.

Please note that **non-members** are not permitted to use the term "REALTOR®" or use the "R" logo on any of their correspondence, signs, business cards, etc. Additionally, the DR must be charged as if he or she had committed the infraction personally if an ethics complaint is lodged against a non-member licensee. Given this potential liability, we strongly recommend that DRs adopt a company policy requiring all associates to hold REALTOR® membership.

## NEW REALTOR® MEMBER

A new REALTOR® member is a licensee who is not a REALTOR® member or has not been a REALTOR® member with any association in the United States or Puerto Rico within the past year.

## RETURNING REALTOR® MEMBER

A returning REALTOR® member is a licensee who has previously been a REALTOR® member with RACI or with any association in the United States or Puerto Rico. (*please call for reinstatement information*)

## SECONDARY MEMBER

A Secondary member is a primary (full paying) member at another REALTOR® board or association. The privileges of secondary membership shall be the same including the right to vote and hold office. Secondary membership is available to members of another REALTOR® association in Indiana or another REALTOR® association outside of Indiana. Secondary membership offers access to our SentiLock® key system, as well as all board functions and events.

## DESIGNATED REALTOR®

A Designated REALTOR® is a licensee who is managing broker eligible with the state of Indiana and a current REALTOR® member.

A new Designated REALTOR® is a licensee who is managing broker eligible with the state of Indiana and has not been a DR with any association in the United States or Puerto Rico within the past year.

## APPRAISER

The National Association of REALTORS® equates appraiser licenses with that of a real estate broker; therefore, a certified appraiser (residential or general) or registered trainee appraiser, will join as a REALTOR® member. The same rules apply, same fees charged, and the same amenities received.

## LOGOS AND TRADEMARK RULES

It is important to use NAR's membership marks (including the REALTOR® logo and the terms REALTOR® and REALTORS®) correctly and according to the rules outlined in the [Membership Marks Manual](#) available on [nar.realtor](http://nar.realtor) website.

Two videos help explain the importance of NAR's membership marks:

- [Make Our Marks Remarkable](#)
- [Why NAR Protects the REALTOR® Trademark](#)



# DUES, FEES & AUDITS

## Designated REALTORS®

Under NAR policy, the Designated REALTOR® (DR) is the firm's managing broker or the principal designated by the firm to serve as Designated REALTOR®.

Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® member who shall be responsible for all duties and obligations of membership including the obligation to arbitrate (or to mediate if required by the association) pursuant to Article 17 of the Code of Ethics and the payment of association dues as established in Article X of the bylaws.

## Dues obligations

Designated REALTORS® receive the following three types of membership dues e-mail communications yearly from the **Board's Finance Department**.

1. **Renewal Dues Invoice – for the Designated REALTOR®**
2. **Renewal Fees Invoice – for the Designated REALTOR® Non-Member Licensee(s) if applicable**
3. **Designated REALTOR® Certification Form (audit)**

Membership dues invoices for the DR and associated fees for each of their non-member licensees (if any) are billed in October, **due November 30** and delivered to the DR both by postal mail and by separate e-mail messages. These e-mail messages included a link to pay on-line and to view the invoice.

The purpose of the Designated REALTOR® Certification Form is to report the DR's total dues obligation for membership in the Board for the period January 1 through December 31 each calendar year. The Designated REALTOR® Certification Form should be returned listing all licensees associated with the firm.

DRs with referral firms should request a **Limited Function Referral Office Certification Form** (exemption) to report licensees affiliated with an entity owned by the DR which is engaged exclusively in soliciting and/or referring clients and customers to the DR's brokerage firm.

## MLS / Tech fees

The MLS service fees are billed to the DR one month in advance.

**\$50 per month** for RACI MLS Primary and Secondary members

**\$55 per month** for MLS only and non-members

*It is strictly forbidden to allow anyone else use your log-in and password. Violators will be assessed a fine in the amount of \$1,000.*

## Billing Policy

- **Due 25th of the month**
- **15% late fee**

Tech services and magazine advertising will be suspended for accounts having an amount which is **31 days or more past due**. Tech service fees shall continue to accrue during the service suspension. Service will be reinstated when the total balance, including current, past due and reinstatement fees is paid in full.

## SentriLock® Annual Audit of Lockboxes

(see SentriLock® System Fees & Fines - pg 10)

The SentriLock® lockbox audit will be sent to the DR once a year. The audit sheet is due back to RACI no later than the 25th of the month in which the audit sheet is received.

A fine of \$25.00 per lockbox will be assessed to each DR who is audited and fails to return any lockbox overage based on volume assessment within 48 hours. Unaccounted lockboxes will be invoiced at \$99.00 per box. If the invoice is not paid within 30 days, the firm's keycards and access will be suspended.

Services will be suspended until the total amount owed, including service fees. Service fees shall continue to accrue during the service suspension.

*SentriLock® keycards may not be used by anyone other than the individual to whom the keycard has been assigned. Allowing anyone other than an authorized SentriLock® cardholder to use their keycard may result in a \$250.00 fine.*

# COMINGS & GOINGS

## Notification

As Designated REALTOR®, you agree to notify the Association of any status changes during the current fiscal year with such notification to be provided to the Association within fifteen (15) days from the date of the individual's affiliation or severance of affiliation with your office(s).

## NEW AGENT MEMBERSHIP

New licensees associated with your firm apply for membership once their licensee is active with the state.

- Request New Member packet be emailed to licensee.

Packet will include:

- All forms
- Required Paragon Academy link and instructions
- Information about New Member Orientation\*
- Information about New Member Code of Ethics requirement

*\*If an applicant misses two (2) consecutive orientations, they will need to reapply for membership. All fees previously paid are non-refundable.*

## RETURNING MEMBER

If the member reapplies for membership within the same calendar year of such voluntary termination, he or she shall be readmitted upon payment of a reinstatement fee of \$100.00 plus current dues.

If a member leaves the Association for any reason and re-instates their membership within one (1) year, they will not be required to take the New Member Orientation course.

## CLERICAL STAFF

All clerical staff (unlicensed, personal assistant or licensed) require their own unique login. Notifications of changes must be provided to the Association within 24 hours for removal and two (2) days for additions.

## MEMBERSHIP STATUS CHANGES

*Change of Membership Status form can be found in this packet, online at [www.raci.org](http://www.raci.org) under the **Membership tab** > Member Resources or requested through email from [info@raci.org](mailto:info@raci.org).*

### Agent status changes

Name change, address or email change, or security level changes

- Complete "MEMBER" portion of **Change of Membership Status** form

### Transferring agents

Current REALTOR® member associating with your firm

- Complete "TRANSFER" portion of **Change of Membership Status** form

### Terminating agents

Current REALTOR® member disassociating with your firm

- Complete "TERMINATION" portion of **Change of Membership Status** form

# ETHICS & PROFESSIONAL STANDARDS

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RACI and our members maintain the highest level of professionalism by following the NAR Code of Ethics (CoE). RACI holds your competition accountable to the Code of Ethics and provides guidance and assistance to work through and resolve disputes via the state-wide Professional Standards program. Membership in RACI mandates mediation and arbitration among REALTOR® firms to resolve commission disputes in a professional, ethical manner outside of expensive court costs.

## CODE OF ETHICS REQUIREMENTS

The Code of Ethics establishes the foundation on how REALTORS® are to operate as professionals in the real estate industry. Not every real estate professional is a REALTOR®; only those who adhere to the 17 Articles of the Code of Ethics which defines a higher standard of professionalism and behavior in three categories: Duties to Customers and Clients, Duties to the Public, and Duties to other REALTORS®. By becoming a REALTOR®, members agree to the duties and responsibilities outlined in the Standards of Practice for each of the 17 Articles, and are subject to be sanctioned if found to be in violation of any article.

REALTORS® are required to complete ethics training of not less than 2 hours, 30 minutes of instructional time within two-year cycles. The training must meet specific learning objectives and criteria established by the National Association of REALTORS®

**Current two-year cycle: January 1, 2019 - December 31, 2020**

### New Member Code of Ethics

New members of local REALTOR® associations must complete similar training when they first join. A new member who has completed the New Member Code of Ethics Orientation shall not be required to complete additional ethics training until the next two-year cycle. This specific new member course is free and only available from NAR.

## PROFESSIONAL STANDARDS PROGRAM

The Code of Ethics imposes duties above and in addition to those imposed by law or regulation which apply ONLY to real estate professionals who choose to become REALTORS®.

Many difficulties between real estate professionals result from misunderstanding, miscommunication, or lack of adequate communication. If you have a problem with a real estate professional, you may want to speak with the managing broker of their firm. Open, constructive discussion often resolves questions or differences, eliminating the need for further action.

For disputes that cannot be resolved contact the REALTORS® Association of Central Indiana to start the ethics complaint process.

We also offer the services of an Ombudsman – the Ombudsman can talk to all parties to see if there has been a misunderstanding or if an issue can be resolved prior to a formal complaint being filed.

Frequently asked questions about the Ombudsman process can be found on NAR's website ([nar.realtor](http://nar.realtor)).

# SENTRILOCK®

## SENTRILOCK® LOCKBOXES AND ACCESS

RACI is proud to offer SentiLock® as the Association lockbox option. The SentiLock® lockbox system and equipment are the sole property of RACI. This system provides the latest in technological advancement long-sought after by REALTORS®, and meets your needs in the most cost-effective and time-efficient ways possible in the marketplace.

Firms can take advantage of the SentiLock® lockbox system and equipment by having the firm Designated REALTOR® (Participant) and agents (Subscribers) sign the SentiLock® Lockbox System Authorized User Agreement.

### DR/Participant obligations:

- SentiLock® firm activation fee
- IRMLS Participant agreement on file
- SentiLock® annual audit of lockboxes
- Guaranty and liability for Subscriber conduct
- Participant warranties
- Notify RACI of Subscriber transfers
- Cosign agreement with Subscriber
- Return all SentiLock® lockboxes and associated equipment upon termination of membership
- Acknowledge all policy, rules and/or regulations associated with SentiLock® lockbox system as described in the SentiLock Lockbox System Authorized User Agreement

### SENTRILOCK® LOCKBOX SYSTEM FEES & FINES:

- \$250.00 firm activation
- \$100.00 subscriber activation
- \$ 60.00 subscriber refundable deposit
- \$ 99.00 per box replacement/lost lockbox
- \$ 25.00 per box for unreturned audited lockboxes
- \$ 25.00 first replacement keycard/reader
- \$ 50.00 subsequent replacement keycard/reader
- \$250.00 fine - unauthorized SentiLock® access
- \$100.00 fine - access without an appointment

## OPENING DOORS

RACI is committed to offering the broadest use of tools and resources between our members and other Associations. RACI currently has reciprocity agreements in place with the following Associations inside and outside of IRMLS to use your SentiLock® keycard or app for access:

- **GNIAR** (Greater Northwest Indiana Association of REALTORS® - Lake, Porter, Jasper, Newton, Starke and Pulaski counties)
- **MEIAR** (Mid-Eastern Indiana Association of REALTORS® - Blackford, Delaware, Henry counties)
- **MIBOR** (Metropolitan Indianapolis Board of REALTORS® - Bartholomew, Boone, Brown, Decatur, Hamilton, Hancock, Hendricks, Johnson, Madison, Marion, Montgomery, Morgan, and Shelby counties)
- **NEIAR** (Northeast Indiana Association of REALTORS® - DeKalb, LaGrange, Noble, Steuben counties)
- **UPSTAR** (Upstate Alliance of REALTORS® - Adams, Allen, Huntington, Jay, Wells, Whitley counties)



## OTHER LOCKBOXES

IRMLS is made up of 14 Associations, each use a variety of lockbox types. If showing a property out of area make certain to ascertain type of access needed. Contact RACI for information about Supra access from IRMLS.

# INDIANA REGIONAL MULTIPLE LISTING SERVICE - IRMLS

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## Single Source Real Estate Data

In 2014 RACI joined with 13 other associations to become a single source for MLS data on nearly 1 million properties. The cross-boundary association allows RACI members to share technology benefits, reduce costs and access a 47 county multiple listing service, serving approximately 5,500 real estate professionals in over 1,500 offices throughout Indiana. The regional platform makes it easier and less expensive for IRMLS members (brokers, agents and appraisers) to conduct business and realize greater revenue.

## MLS Participation

Participation in an MLS is an independent business decision of each brokerage firm/managing broker/DR, and of each office that wants MLS access. Agents are only eligible to subscribe to a service in which the DR is a participant.

## ListingDIV

Automated listing data compliance checker assists association staff track data that is entered out of compliance with IRMLS rules by auditing the listings of their member offices and agents.

## Security Levels

Participant/managing brokers are given single office or multiple office security levels with the ability to search all statuses and opt out individual listings. Participant/managing brokers choose the security level of their agents.

Available agent security levels:

**Level 3:** Agents with no access to Listing Input or Maintenance

Can search all statuses, can upload photos & associated docs, and set up Open Houses/Tours.

**Level 4:** Agents with access to Listing Input and Maintenance

Can search all statuses, can add and maintain own listings, upload photos & associated docs, and set up Open Houses/Tours.

## Syndication

Syndication is controlled solely by the participant/managing broker. The participant/managing broker owns the listings and is the decision maker as to where the company's listings are being distributed online, or if they are distributed at all.

IRMLS recognizes that members' clients may want to have their listings on syndication channels and offers integrated tools within the Clarity dashboard to facilitate this, but the goal is to put the choice in the hands of our brokers.

If you've chosen to syndicate, the Paragon syndication container allows participant/managing brokers to opt individual listings out of specific sites based on a seller's request.

## IDX

What is IDX? Simply put it is the "public listing search" on a member's website. IRMLS provides services so members can add a listing search to their websites. Options range from easy to those that require the help of a web consultant. The IDX Handbook is in MLS Docs - IDX Folder and can help participant/managing brokers familiarize themselves with options and definitions including: IDX Subscriber, Data Access Subscriber, Consultant/Web Developer, Service Vendor, MLS Partner, and VOW.

## IRMLS *Continued*

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### IRMLS Benefits

- Clarity Security single sign on dashboard
- Rules and regulations maintain a level playing field
- MLS input forms
- Accurate real estate information
- Historical data
- Access to tax records
- MLS statistical reports
- Market monitor notification of new, expired, price change, hot list, sold, pending, back on market and leased listings.
- Collab Center contact management
- Showing management powered by ShowingTime
- Homesnap mobile app
- REALTOR® Property Resource (RPR®)
- Showcase photos and virtual tours of your listings
- Listings advertised on REIndiana.com, raci.org and realtor.com
- Broker syndication dashboard
- IDX to display listings in a consumer format
- Cross-platform capabilities for PCs, tablets and smart phones
- Training (Paragon Academy, webinars, help docs and customized in-person)
- AND SO MUCH MORE!

### Why be a team in the MLS

Real estate brokerage firms face the challenge of a market place that demands higher levels of service from both the brokerage firm and individual agents. This increased demand creates a need for specialization and an unbundling of tasks associated with the real estate transaction (i.e., listing coordination/follow-up, transaction/closing follow-up, buyer's agents, listing agents, marketing, client services, etc.) Benefits of setting up a team in the MLS include: ability to track production of team (individual volume rolls up to team stats) and ease of communication for agents and consumers to contact member (contact set up).

**Teams are not considered legal entities under Indiana License Law. Therefore, contracts cannot be entered into under the team name.**

**IRMLS adopted a Team policy** to provide guidance on the proper reporting of team activity. IRMLS does not require teams to be set up in Paragon, however any team who wants to be added must be set up using the team functionality.

Team functionality allows for Paragon to apply the listing activity and selling activity to the individual agents and their associated team when the team name is added to the listing at input or closing, and the activity will be associated with the agent whose name displays on the contracts.

# ASSISTANTS

## Clerical Staff

ALL clerical staff will require a personal MLS Login and Password. Unlicensed clerical staff will not be charged MLS fees provided they are employed by the Managing Broker to provide services for the office. Paid and unpaid clerical account totals cannot exceed amount of agent accounts.

## Free vs. Paid

Free clerical accounts require assumption of identity to perform most tasks for the Participant or Subscriber. Paid clerical accounts can be assigned a security level by the DR that will designate what tasks they can do without assumption of identity of either the Participant or Subscriber.

Assumption of identity is necessary for either type of account to print reports that display the Participant or Subscriber's name.

## Unlicensed Assistants

Clerical users are individuals under the direct supervision of an IRMLS Participant (managing broker/DR) or Subscriber (agent) who perform only administrative and clerical tasks that do not require a real estate license or an appraiser's certificate or license. Each Participant shall notify the RACI of all clerical users employed by or affiliated as independent contractors with the Participant or Participant's Subscriber and shall immediately notify RACI of any changes, additions to or deletions from the list.

IRMLS Participant offices are allowed one (1) free account per two (2) paid users, not to exceed eight (8) free clerical accounts. The free account is reserved for unlicensed assistants doing work for the entire office.

Companies in need of more clerical staff than allowed per this formula can opt for a paid clerical or personal assistant account option. Paid accounts are not counted in the "free" clerical account maximum.

Paid unlicensed accounts are billed at a rate of \$20.00/mo.

## Licensed Assistants

Licenses that are performing administrative and clerical tasks are treated as REALTOR® members or subject to NAR dues formula which states that the DR's personal dues must be increased by an amount equal to the annual dues for each non-member the DR allows to be licensed with the firm.

Licensed clerical accounts are not counted in the "free" clerical account maximum.

## Assume Identity

Assume identity can be set up for any Participant (managing broker/DR) or Subscriber (agent) to have clerical staff or other agent assume identity to perform tasks as the Participant or Subscriber. Clerical staff (or agent) will login with their individual login and password and select *Assume Identity* on the MLS home page & then select the Agent(s) who have allowed assume identity.

Assumption of identity allows for input and/or maintenance in Participant or Subscriber's name, and Participant or Subscriber's name to show on reports or CMAs and can be set up at no charge.

## CLERICAL ACCOUNT SET UP

ALL clerical staff will require a personal MLS login and password. Sharing and/or using a general login is not allowed. Unlicensed clerical staff will not be charged MLS fees provided they are employed by the Managing Broker to provide services for the office. Personal assistant accounts will be charged \$20.00/user per month.

**Clerical set up** link can be found online at [www.raci.org](http://www.raci.org) under the **Membership tab** > Member Resources or request one through email from [info@raci.org](mailto:info@raci.org).

Users will be required to complete Paragon Academy before being issued a login and password.

**It is strictly forbidden to allow anyone else use your log-in and password. Violators will be assessed a fine in the amount of \$1,000.**

# INDEPENDENT CONTRACTOR STATUS

## WHAT IS THE FUNDAMENTAL ISSUE?

One of the thorniest questions that many employers face is the appropriate classification of their workers as either employees or independent contractors. These classification issues are important because they govern responsibilities for remitting payroll taxes and also set out the terms for various employee benefits.

Real estate sales agents have a statutory provision (Internal Revenue Code Section 3508) that provides clear directives about how a real estate broker may classify his/her sales agents as independent contractors. The rules have been in place since about 1984. REALTORS® would oppose any erosion of Section 3508.

## I AM A REAL ESTATE PROFESSIONAL. WHAT DOES THIS MEAN FOR MY BUSINESS?

Managing brokers and agents can determine with certainty what their work arrangements are and can thereby ascertain the role of each with respect to payroll taxes and benefits. This certainty significantly reduces the exposure to sizable penalties that can be imposed on other employers who do not comply with the worker classification criteria the IRS has had in place for more than 30 years.

*To be classified as an independent contractor, a managing broker and an agent must have a written agreement showing that the agent has a valid real estate license, that the agent is aware that he/she will be treated as an independent contractor, and that no compensation or remuneration can be based on hours worked, but is on a commission basis.*

www.indianarealtors.com/legal/legal-library/

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Welcome, Closson, Stefani. Logout?

Legal Library

Search...

Search downloads...

Agency Information (2)

- 1. Agency Q&A (70)
- 2. Guide to Agency Law Amendment (41)

AntiTrust (1)

- 1. Antitrust Q&A (26)

Forms (11)

- 1. Independent Contractor Agreement (55)
- 2. Closing Forms Procedures (38)
- 3. MARS Disclosure for General Commercial Communications (12)
- 4. MARS Disclosure For Consumer Specific Commercial Communication (8)

IAR's LEGAL LIBRARY  
— offers an independent contractor agreement, find it here:  
[www.indianarealtors.com/legal/legal-library](http://www.indianarealtors.com/legal/legal-library)

## Looking for a sample contract?

IAR includes one in their online legal library.

## IAR MEMBER LOGIN

[indianarealtors.com](http://indianarealtors.com)

Username: NRDS#  
Password: last name (lowercase)

# IAR RESOURCES

Representing over 17,000 REALTORS throughout the state, Indiana Association of REALTORS® offers a variety of resources. Here are a few that are useful for Designated REALTORS®.

**IAR MEMBER LOGIN** ([indianarealtors.com](http://indianarealtors.com))

Username: **NRDS#**  
Password: **last name (lowercase)**

Contact Us Member Login

  

## LEGAL QUESTIONS?

IAR Legal Affairs has a whole library of resources FREE to IAR members at [indianarealtors.com](http://indianarealtors.com). Log in to the site > click "Legal" > then "Legal Library"

Search by category/see the most-downloaded docs on topics like earnest money, property disclosures, and many more. These articles and Q&As are based on real member questions called into the IAR Legal Hotline.

Many topics are covered in the IAR legal library: [indianarealtors.com/legal/legal-library](http://indianarealtors.com/legal/legal-library)

- Office Policies and Procedures
- Sample 60 Day Letter
- Sample Independent Contractor Agreement
- Forms only available from IAR: Spanish Listing Contract, Spanish Purchase Agreement, and Supplemental Indemnification Agreement

## LEGAL HOTLINE

Your membership gives you access to one of IAR's most meaningful member benefits. Via the Legal Hotline, experienced real estate attorneys offer counsel on topics such as Indiana license law, contracts, agency relationships, and the seller's disclosure form. Plus, with typical attorney fees in excess of \$200 per hour – nearly as much as our annual dues – it's a money-saver, too! IAR attorneys are available to Managing Broker members and their designated agents: **1-800-444-5472**

## FORMS

Statewide transactional forms may be the most under appreciated of the IAR member benefits. The National Association of REALTORS® provides the platform to interact with statewide transactional forms – zipForm® Plus – but IAR provides the content of those forms copyrighted for use only by members of the Indiana Association of REALTORS®.

### Why use zipForm® Plus

- Utilizes the latest technology to streamline and simplify the real estate transaction process for brokers and agents.
- Updated annually by a committee of IAR attorneys and members to keep you compliant with the law and current with professional practice.
- Online with electronic signature capability to help you meet client demands.
- A great value. There's no need to consult an attorney for each move.

*Account issues can be directed to Janet Bailey at (317) 771-7395 (mobile: call or text) or [jbailey@indianarealtors.com](mailto:jbailey@indianarealtors.com)*

## ADVOCACY

IAR's Government Affairs and the resources provided through REALTORS® Political Action Committee (RPAC) help protect private property rights and the viability of the real estate industry at the state and national level.

The REALTOR® Party elects REALTOR® champions, supports pro-real estate issues and makes neighborhoods, cities and townships stronger.

# CONTACTS & RESOURCES

## REALTOR® RESOURCES

### Indiana Association of REALTORS®

(800) 284-0084  
[indianarealtors.com](http://indianarealtors.com)  
Legal Hotline: (800) 444-5472

#### Legal Forms

[indianarealtors.com/legal/forms/](http://indianarealtors.com/legal/forms/)

#### Continuing Education

[indianarealtors.com/events/ce-license-renewal/](http://indianarealtors.com/events/ce-license-renewal/)

### National Association of REALTORS®

(800) 874-6500  
[nar.realtor](http://nar.realtor)

### REALTOR® Benefits Program

[nar.realtor/realtor-benefits-program](http://nar.realtor/realtor-benefits-program)

### REALTOR® Action Center

[realtorparty.realtor](http://realtorparty.realtor)

### REALTOR® Property Resource (RPR)

[narrpr.com](http://narrpr.com)  
Training resources  
[blog.nar](http://blog.nar)

### REALTOR.com

[realtor.com/welcome/agentprofile/](http://realtor.com/welcome/agentprofile/)

#### Marketing products

[marketing.realtor.com/](http://marketing.realtor.com/)

(dot) .realtor and/or .realestate domains

[claim.realtor/signup](http://claim.realtor/signup)

### REAL ESTATE CERTIFICATION PROGRAM

[recp.org](http://recp.org)  
(800) 742-4067  
[info@recp.org](mailto:info@recp.org)

### IRMLS

[irmls.paragonrels.com](http://irmls.paragonrels.com) – MLS portal  
(877) MLS-HELP

#### Public site

[reindiana.com](http://reindiana.com)

#### Report violation

[listingDIV.com](http://listingDIV.com)

### ZipForm

[zipformplus.com](http://zipformplus.com)

#### Training resources

[ziplogix.com/training](http://ziplogix.com/training)  
[youtube.com/zipLogix](http://youtube.com/zipLogix)

#### Support

Monday-Friday: 24 Hours  
(586) 840-0140  
[support.zipform.com/emailsupport.asp](http://support.zipform.com/emailsupport.asp)  
**Online support 365 days - 24 hours**  
[support.zipform.com](http://support.zipform.com)

#### Association assistance

Janet Bailey  
(317) 771-7395 (mobile: call or text)  
[jbailey@indianarealtors.com](mailto:jbailey@indianarealtors.com)

### SentriLock

[sentrilock.com](http://sentrilock.com)

#### Online support

[lb.sentrilock.com](http://lb.sentrilock.com) - support tab  
(877) 736-8745 8am – midnight ET  
[support@sentrilock.com](mailto:support@sentrilock.com)

#### Association assistance:

Renee McGuire  
[renee@raci.org](mailto:renee@raci.org)

### Indiana Professional Licensing Agency

(317) 234-3009  
[in.gov/pla/real.htm](http://in.gov/pla/real.htm)  
[pla9@pla.in.gov](mailto:pla9@pla.in.gov)

## REALTORS® Association of Central Indiana (RACI)

(765) 457-0089  
1620 E Hoffer St | Kokomo, IN 46902

### RACI STAFF DIRECTORY

Amy Pate  
*Executive Vice President*  
[apate@raci.org](mailto:apate@raci.org)

Stefani Closson  
*Communications & Marketing Director*  
*Membership & MLS Director*  
[stefani@raci.org](mailto:stefani@raci.org)

Renee McGuire  
*Administrative Assistant*  
[renee@raci.org](mailto:renee@raci.org)

Sue Jones  
*Bookkeeper & Member Records Coordinator*  
[sue@raci.org](mailto:sue@raci.org)  
M/Th

#### Website

[raci.org](http://raci.org)

#### Instagram

[instagram.com/RACIndiana](http://instagram.com/RACIndiana)

#### Facebook

[facebook.com/RACIndiana](http://facebook.com/RACIndiana)

#### Twitter

[twitter.com/RACIndiana](http://twitter.com/RACIndiana)

# RACI AFFILIATES

Your REALTOR® Association is a trusted resource for you, and you are a trusted resource for your clients. RACI has affiliate members across our six counties who serve the needs of REALTORS® and their clients. Our members rely on their services every day and buyers and sellers trust their REALTOR® to recommend resources in the community. Visit [raci.org/OurMembers/Affiliates.aspx](https://raci.org/OurMembers/Affiliates.aspx) for more information on our affiliate members.

## BANK & MORTGAGE LENDERS

American Mortgage Service Co  
Beacon Credit Union  
Centier Bank  
Community First Bank  
Crossroads Bank  
Financial Builders FCU  
First Farmers Bank & Trust  
GVC Mortgage, INC  
Haynes Comm Federal Credit Union  
KeyBank  
LeaderOne Financial Corp  
Logansport Savings Bank  
Mortgage City  
Mutual Bank  
Ruoff Home Mortgage - Aimee Romero  
Rural 1st - Breanne Bennett  
Security Federal Savings Bank  
Solidarity Community FCU  
Star Financial Bank  
Stearns Lending  
Stockton Mortgage Corp  
Union Home Mortgage  
Via Credit Union

## BUILDING & HOME IMPROVEMENT

Arbor Homes

## INSURANCE

Sean VerLee - McGriff Insurance  
Nick Pate State Farm Insurance & Financial Services

## INSPECTORS

American Dream Home Inspections, LLC  
BPG Inspections  
Cirrus Home Inspection  
Cutting Edge Inspections Co  
Erwin Cox Home Inspection  
Fipps Inspections  
First Class Inspections  
H&W Property Inspection  
HouseMaster Home Inspections  
John Herron Associates  
Indiana Pest Control, Inc  
Keystone Home Inspections  
Parks Pest Control, LLC  
PRO Home Inspections  
Quality Home Inspection, LLC  
See's Home Inspection  
SPEC1 Inspection Services

## MEDIA & ADVERTISING

Chronicle Tribune

## MISCELLANEOUS

Affordable Housing Corp  
Guyer the Mover, Inc  
Homebuilders Association of Howard County  
Local Lenders  
Ortman Drilling & Water Services  
Shamrock Storage

## SENIOR LIVING

The Villas at Waterford Place

## TAX & ACCOUNTING

Bucher, McCarty & Metz

## TITLE COMPANIES

Cass County Title Company  
Grant County Abstract  
Metropolitan Title Company  
Moore Title & Escrow  
Title Guaranty & Abstract Co, Inc  
Wabash Valley Abstract

## COMMUNITY PARTNERS

### CHAMBER OF COMMERCE & ECONOMIC DEVELOPMENT

Cass Logansport Economic Development Organization  
Grow Wabash County  
Greater Kokomo Economic Development Alliance  
Logansport Cass County Chamber of Commerce  
Marion-Grant County Chamber of Commerce  
Miami County Economic Development Authority  
Tipton County Chamber Commerce

# 2019 CALENDAR OF EVENTS

RACI NOTES: WEEKLY | MARKET STATS: MONTHLY | NETWORKING: QUARTERLY

## JANUARY

28-30

IAR Legislative Conference

## FEBRUARY

7

IAR Professional Standards Training

14, 19, 26, & 28

County Networking Breakfasts & Lunches

## MARCH

1

Grant Networking Lunch

14

New Member Orientation\* - Spring

## APRIL

17-18

CE - offered by RECP in Marion

24

CE (free) - offered by Rural 1st at Inventrek

25

Joint Managing Broker Meeting

## MAY

8-9

CE - offered by RECP in Kokomo

13-18

Legislative Meetings & Trade Expo - DC

## JUNE

5-6

CE - offered by RECP in Kokomo

19

RPAC Auction - Luncheon

20

New Member Orientation\* - Summer

27

RPAC Auction - Kokomo evening

30

**CE cycle deadline**

## JULY

TBA

REALTOR® Night @ Jackrabbits

## AUGUST

1

IAR Leadership Academy app deadline

11-13

NAR Leadership Summit - Chicago

## SEPTEMBER

17-19

IAR Director Elections

19

New Member Orientation\* - Fall

TBA

County Managing Broker Meetings

## OCTOBER

TBA

Annual Meeting Luncheon

14-15

IAR Stakeholder Meetings

## NOVEMBER

6-11

NAR Conference & EXPO - San Francisco, CA

## DECEMBER

7

Annual Awards, Recognition & Christmas Gala

*Watch RACI Notes weekly for additional dates, networking events and/or date changes.*

### RACI Board of Director Meetings - 8:30 a.m.

(Fridays) January 18, February 22, April 26, June 21, August 16, September 20 and November 22

### IRMLS Board Meetings - 1:00 p.m.

(Wednesdays) February 20, May 22, August 7 (budget), October 30

- Agenda item requests by noon 2 weeks prior.

\*New Member Orientation is offered three times a year - dates subject to change.

# ADDENDUM

**Business Model.** RACI **strongly suggests** consulting with an attorney and accountant to determine business organization.

## STATE & FEDERAL GOVERNMENT RESOURCES

### Creating your business organization

- The organizational structure of a firm can take many forms.  
For example, a brokerage firm may choose to establish the business entity as a: Sole proprietorship, Partnership, Corporation, Limited Liability
- Decide on business models - independent vs. franchise
- Decide on compensation models (independent broker contracts)
- Written office policies - agency & staff
- Insurance  
Errors and Omission Insurance, Business Liability Insurance, General Liability Insurance, Workmen’s Comp, Automobile Liability

### Indiana Professional Licensing Real Estate

(317) 234-3009  
[in.gov/pla/real.htm](http://in.gov/pla/real.htm)  
[pla9@pla.in.gov](mailto:pla9@pla.in.gov)

### Secretary of State Business Services Division

(317) 232-6581  
[in.gov/sos/business/index.htm](http://in.gov/sos/business/index.htm)  
[pla9@pla.in.gov](mailto:pla9@pla.in.gov)

### IRS Forms & Publications\*

[irs.gov/downloads/irs-pdf](http://irs.gov/downloads/irs-pdf)

### INBiz: Your One-Stop Source for your Business

INBiz is the state of Indiana’s one-stop resource for registering and managing your business and ensuring it complies with state laws and regulations. They utilize state-of-the-art security features so you can feel safe about inputting your personal and business information into their system. In partnering with the Secretary of State, Department of Workforce Development and the Department of Revenue, INBiz has created a best-in-class portal that provides a streamlined and expedited process for your business needs.

From registering your business’s name to filing required paperwork, you need go no further than INBiz: [inbiz.in.gov](http://inbiz.in.gov)

Business Structure Type	LLC	Corporation	S-Corporation
Pass-through entity	Yes	No	Yes
Limited liability from business debt	Yes	Yes	Yes
Unlimited number of owners	Yes	Yes	No
U.S. Citizenship required	No	No	Yes
Business loss/profit appear on personal tax filing	Yes	No	Yes
Tools/documents	IRS Form 8832		IRS Form 2553

Type of Entity	LLC	Corporation	S-Corporation
Definition	Is a pass-through entity. Limited financial liability to partners, similar to a corporation.	Not a pass-through entity. Limited liability. Is subject to corporate income tax. Corporations are considered C-Corps unless they elect otherwise.	Is a pass-through entity. Limited liability. Is not subject to corporate income tax. Shareholders are taxed based on shareholdings.
Benefits	Shields personal assets from business liability.		
Considerations	Income is reported on owner’s individual tax return. Requires separation of business and personal finances.	Business must pay income tax. Dividends distributed at the individual level.	Owners pay personal income tax on profits. All business income/loss is passed through to owners each year.

\*IRS Publications: 542 Corporations; 583 Starting a Business and Keeping Records

# RACI BENEFITS

INTEGRATED TOOLS.  
POWERFUL RESULTS.



## SENTRILOCK

SentriLock is the official lockbox solution of NAR. SentriLock utilizes SentriCard or mobile app for cardless entry. The mobile app is integrated with a new safety feature that allows REALTORS® to reach someone quickly in case of an emergency when showing properties.

